

**REA BOARD EDUCATION ADVISORY COMMITTEE
MINUTES
MILWAUKEE, WI
MARCH 12, 2002**

PRESENT: DeAnn Brosman, Ossie Johnson, Mark Kowbel, Mary Reavey, and Rick Vozar

STAFF PRESENT: Mary Forseth and Ruby Jefferson-Moore

CALL TO ORDER

MOTION: Mary Reavey called the meeting to order at 1:05 p.m., seconded by Mark Kowbel. A quorum of five committee members was present. Motion carried unanimously.

AGENDA

MOTION: Mark Kowbel moved, seconded by Rick Vozar, to accept the agenda as published. Motion carried unanimously.

MINUTES 1/30/02

MOTION: Rick Vozar moved, seconded by Mark Kowbel, to approve the minutes of 1/30/02. Motion carried unanimously.

COMMITTEE CHAIR'S REPORT

Introduction of New Bureau Director, Mary Forseth

Mary Reavey welcomed Mary Forseth, the new Bureau Director who is replacing Katharine Hildebrand. Mary Forseth introduced herself and gave an overview of her professional background.

Current Roster

Mary Forseth's name needs to be added to the roster as the Bureau Director, replacing Katharine Hildebrand, with her correct e-mail address included. Mark Kowbel reported he has a new FAX # (262) 633-1601.

Next Meeting - Date and Location

The Committee will meet on Wednesday, April 24, 2002 at 8:00 - 9:30 a.m. before the Screening Panel (9:30 a.m.) and the Board (10:00 a.m.) meets in Madison.

EDUCATION REQUIREMENTS FOR REAL ESTATE APPRAISERS

Telephone conference call with a representative from the Illinois Board, regarding changes to their educational program and revision of Illinois statutes.

The Committee reviewed the Appraisal Pre-licensure providers and schedule of courses that Illinois currently requires for each of the certification levels. The Committee will follow-up on Illinois and Minnesota reciprocity agreements. Wisconsin students have had problems having their work accepted in Illinois.

The Committee had a lengthy discussion with a representative from the Bureau of Real Estate with the State of Illinois to learn from the experiences of the Illinois Program of Education for real estate appraisers. The representative indicated she was very satisfied with the current model of continuing education program for the profession, which was a result of changes to their law in 1998. The Illinois program is set up by curriculum for pre-licensure of applicants. The Illinois representative described the Illinois education program to the Committee and services that are available on-line. Licensing fees in Illinois are significantly higher than in Wisconsin. Wisconsin licensees have indicated they would be willing to pay higher fees for increased services. A big improvement for Illinois was changing to a course roster form. The providers of the course were responsible for reporting the names of the individuals who attended each of the courses offered. This eliminated alterations that previously had been made to information that was submitted to the Illinois Board in hard copy.

Appraiser Qualifications Board's Proposed Revisions to Appraiser Qualifications Criteria

Concerns were raised regarding practices within the Real Estate Appraisers profession with suggestions of how to respond to these situations. There was a discussion regarding how the Board should best respond to proposed changes by the AQB. The Board has always reflected the standards of AQB in determining licensure requirements.

Appraiser Qualifications Board's (AQB) List of Concepts Appraisers Should Master

The Committee discussed a variety of concepts that they felt should be a part of the Real Estate Appraisers curriculum and reviewed the AQB core reference document listing the body of knowledge an appraiser needs to know.

Discussions Related to Continuing Education

Committee members discussed continuing education courses that are currently available that should be included in continuing education requirements. The Committee prepared a draft of the core curriculum for licensed real estate appraisers (attached).

Topics for the committee to discuss at its next meeting are: certified residential, certified general, trainee certificate and continuing education.

ADJOURNMENT

MOTION: Mark Kowbel moved, seconded by Rick Vozar, to adjourn the meeting at 3:40 p.m. Motion carried unanimously.

I. BASIC APPRAISAL PRINCIPLES 30 20 HOURS

- A. Real Property Concepts and Characteristics
 - 1. Basic Real Property Concepts
 - 2. Real Property Characteristics
 - 3. Legal Description
- B. Legal Consideration
 - 1. Forms of Ownership
 - 2. Public and Private Controls
 - 3. The Real Estate Contract
 - 4. The Lease
- C. Influences on Real Estate Values
 - 1. Governmental
 - 2. Economic
 - 3. Social
 - 4. Environmental, Geographic and Physical
- D. Types of Value
 - 1. Market Value
 - 2. Other Value Types
- E. Economic Principles
 - 1. Classical Economic Principles
 - 2. Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
 - 1. Market Fundamentals, Characteristics, and Definitions
 - 2. Supply Side Analysis
 - 3. Demand Analysis
 - 4. Use of Market Analysis

II. BASIC APPRAISAL PROCEDURES 30 20 HOURS

- A. Valuation procedures
 - 1. Defining the Problem
 - 2. Collecting and Selecting Data
 - 3. Analyzing
 - 4. Reconciling and Final Value Opinion
 - 5. Communicating the Appraisal Report
- B. Property Description
 - 1. Geographic Characteristics of the Land/Site
 - 2. Geologic Characteristics of the Land/Site
 - 3. Location and neighborhood Characteristics
 - 4. Land/Site Considerations for Highest and Best Use
 - 5. Improvements

III. RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE 24 20 HOURS

- A. Residential Markets and Analysis
 - 1. Market Fundamentals, Characteristics and Definitions
 - 2. Supply Side Analysis
 - 3. Demand Analysis
 - 4. Use of Market Analysis
- B. Highest and Best Use
 - 1. Test Constraints
 - 2. Application of Highest and Best Use
 - 3. Special Considerations
 - 4. Market Analysis
 - 5. Case Studies

IV. RESIDENTIAL APPRAISER SALES COMPARISON APPROACH 24 20 HOURS

- A. Value Principles
- B. Procedure
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

V. RESIDENTIAL APPRAISER SITE VALUTATION AND COST APPROACH 14 20 HOURS

- A. Site Valuation **(5)**
 - 1. Methods
 - 2. Additional land Value Considerations
 - 3. Case Studies
- B. Cost Approach **(10)**
 - 1. Concepts and Definitions
 - 2. Replacement/Reproduction Cost New
 - 3. Accrued Depreciation
 - 4. Methods of Estimation Accrued Depreciation
 - 5. Case Studies
- C. Building Components/Blue Prints **(5)**

VI. UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (The 15-Hour national USPAP Course, or it equivalent) 15 HOURS

- A. Introduction and General provisions
 - 1. Standard 1
 - 2. Standard 2
 - 3. Standard 3 to 10
 - 4. Statements and Advisory Opinions

**VII. LICENSED RESIDENTIAL APPRAISER INCOME APPROACH
AND REPORT WRITING 6 25 HOURS**

- A. Gross Income Multipliers **(12)** *(At least 12 hours - cap income?)*
- B. Writing and Reasoning Skills **(4)**
- C. Report Options and USPAP Compliance **(4)**
- D. Case Studies **(5)**

**LICENSE RESIDENTIAL APPRAISER EDUCATION
REQUIRMENTS 140 HOURS**